

# NEWS RELEASE

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### ***SBA SIZE PROPOSAL COULD ADD NEARLY 5,000 TO RANKS OF SMALL HEALTH CARE PROVIDERS***

**WASHINGTON --** The U.S. Small Business Administration (SBA) is proposing a change in the size standard for health care service providers, substantially expanding the number of businesses that could qualify as small for government programs and services. The agency estimates that nearly 5,000 firms would benefit from the change, mostly skilled nursing care facilities and offices and clinics operated by doctors.

Currently, there is only one size standard that applies to the entire health care services industry. A business qualifies as "small" if its annual revenues are \$5 million or less. The SBA proposal would preserve this standard for eight subdivisions within this overall health care services category, but increase the dollar figure for 11 others.

**"Like so many parts of our economy, the health care services industry has changed rapidly in recent years,"** said SBA Administrator Aida Alvarez. **"The SBA is proposing new size standards that more accurately reflect these changes. The new standards will provide these growing firms with continued access to SBA's small business development assistance, helping them succeed and serve their customers into the 21<sup>st</sup> century."**

The proposal suggests increasing to \$25 million the size standard for most hospitals and kidney dialysis centers. A \$10 million threshold is being considered for skilled nursing care

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facilities, medical laboratories and home health care services. An upper limit of \$7.5 million is being proposed for specialty outpatient facilities, health and allied services, and offices and clinics operated by medical doctors.

The remaining sectors, including offices and clinics operated by dentists, chiropractors, optometrists, podiatrists, health care practitioners and doctors of osteopathy, would continue to operate under a size standard of \$5 million. Nursing care facilities and dental labs would also remain at the \$5 million level.

The formal notice on this proposed rule appeared in the *Federal Register* on May 4, section reference 64 FR 23798.

Anyone interested in commenting on this SBA proposal should contact the agency's Office of Size Standards in Washington, DC before July 6, 1999. Written comments should be mailed to Gary Jackson, 409 Third Street SW, Mail Code 6880, Washington, DC 20416, or e-mail [sizestandards@sba.gov](mailto:sizestandards@sba.gov).

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*The U.S. Small Business Administration, established in 1953, provides financial, technical and management assistance to help Americans start, run, and grow their businesses. With a portfolio of business loans, loan guarantees and disaster loans worth more than \$45 billion, SBA is the nation's largest single financial backer of small businesses. Last year, SBA offered management and technical assistance to more than one million small business owners. SBA also plays a major role in the government's disaster relief efforts by making low-interest recovery loans to both homeowners and businesses.*

*America's 24 million small businesses employ more than 50 percent of the private workforce, generate more than half of the nation's gross domestic product, and are the principal source of new jobs in the U.S. economy.*

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